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SUBJECT: Sudan: 2005 Import-Export Trade Report

¶1. SUMMARY: 2005 trade statistics from the Central Bank of Sudan (CBOS) shows a trade balance roughly six times higher than the 2004 level, growing from a negative USD 297 million in 2004 to negative USD 1,932 million. Crude oil exports make up 82 percent of the total during 2005, up from 78 percent in 2004 and 72 percent in 2002. China's USD 3.4 billion in petroleum purchases made up 71 percent of Sudan's total exports in 2005, a rise from USD 2.5 billion (67 percent) in 2004 and USD 1.3 billion (65 percent) in 2002. Japan and the United Arab Emirates were Sudan's second and third largest importers during 2005. Chinese products also dominated Sudanese trade on the import side, claiming one-fifth (20 percent) of Sudan's total imports during 2005, a rise from USD 530 million (13 percent) and USD 196 million (8 percent) in 2002.

¶2. Sudan's ten largest import commodities made up 91 percent of total imports during 2005, with the top three - machinery and equipment, manufactured goods, and transport equipment - claiming 63 percent of the total. This is an increase of 23 percentage points from 2002. In 2005, Sudan lowered its reliance on food imports, purchasing a total USD 836 million in food products. This accounts for 12 percent of Sudan's total imports, compared to 14 percent in 2004 and 19 percent in 2002. U.S. exports to Sudan totaled USD 130 million in 2005, placing the United States as the 14th largest exporter. U.S. imports from Sudan totaled USD 12.3 (all gum Arabic under OFAC license). END SUMMARY.
Sudan Sees Sharp Rise in Trade Deficit

¶3. 2005 trade statistics from the Central Bank of Sudan (CBOS) show a trade balance roughly six times higher than the 2004 level. Sudanese exports in 2005 totaled USD 4,823 million, while imports totaled USD 6,757 million, resulting in a negative USD 1,932 million trade balance. This is a sharp rise from 2004's negative USD 297 million trade balance. The large jump in 2005 can be credited to across the board increases in commodity imports, growing by 66 percent from the 2004 totals. This compares to a much lower 28 percent growth in exports. Data also show a sharp rise in imports during the last two months of 2005. (Note: Data includes only petroleum products from southern Sudan. Most non-petroleum products from neighboring countries Kenya, Ethiopia, and Uganda are not officially reported. End note.) Petroleum Products Comprise 82 Percent of Exports

¶4. Crude oil exports make up 82 percent of the total during 2005, up from 78 percent in 2004 and 72 percent in 2002. Gasoline continues to be Sudan's second largest export commodity, averaging 5 percent of total exports during 2005-2002. Non-petroleum exports, mainly sesame, livestock, gum Arabic, and cotton, account for 12 percent of Sudan's total exports, compared to 16 percent in 2004 and 19 percent in 2002.

Imports: Machinery/Equipment, Mfg Goods, Transport Lead

¶5. Sudan's ten largest import commodities made up 91 percent of total imports during 2005, with the top three - machinery and equipment, manufactured goods, and transport equipment - claiming 63 percent of the total, roughly the same as 2004, but a sharp increase from 37 percent in 2002. In 2005, Sudan purchased USD 2 billion in machinery and equipment items, mainly electrical/non-electrical appliances and machinery spare parts (52 percent); USD 1.6 billion

in manufactured goods, main processed iron and steel (44 percent), and USD 1.2 billion transport equipment, mainly truck, automobiles and spare parts (78 percent).

Sudan's Food Imports Decrease

¶16. In 2005, Sudan lowered its reliance on food imports, purchasing a total USD 836 million in food products. This accounts for 12 percent of Sudan's total imports, compared to 14 percent in 2004 and 19 percent in 2002. Dairy products (USD 48 million), tea (USD 37 million), cooking oils (USD 33 million), coffee (USD 26 million), and lentils (USD 20 million) were the largest import commodities. Sudan imported minimal amounts of fish/canned fish, meat products, spices, wheat flour, and rice.

China Continues to Dominate Sudanese Trade

¶17. In 2005, China's USD 3.4 billion in petroleum purchases made up 71 percent of Sudan's total exports and 100 percent of China's imports from Sudan. This total is a rise from USD 2.5 billion (67 percent) in 2004 and USD 1.3 billion (65 percent) in 2002. The two other sizable importers of petroleum products from Sudan were Japan, with USD 577 million in purchases (12 percent of Sudan's total exports) and the United Arab Emirates, with USD 83 million in purchases (2 percent of Sudan's total exports). Key non-petroleum importers during 2005 include regional partners Saudi Arabia and Egypt, including Saudi Arabia's purchases totaling USD 136 million (mainly livestock) and Egypt's USD 79 million (mainly sesame, livestock, and cotton).

¶18. Chinese products also dominated Sudanese trade on the import side, where China's USD 1.4 billion in sales to Sudan claims one-fifth (20 percent) of Sudan's total imports. This total is a rise from USD 530 million (13 percent) and USD 196 million (8 percent) in 2002. Of the total USD 1.4 billion imported from China,

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purchases of machinery/equipment, manufactured goods, and transport equipment accounted for 84 percent of the total.

Saudi Arabia Another Major Trading Partner

¶19. Saudi Arabia exported a total USD 627 million to Sudan, claiming 9 percent of Sudan's total imports, followed by United Arab Emirates (USD 396 million), Japan (USD 345 million), and India (USD 318 million). All four of these countries exported sizable amount of machinery and equipment, manufactured goods, and transport equipment to Sudan; Saudi Arabia also exported USD 94 million in miscellaneous petroleum projects, USD 68 million in chemical products, and USD 33 million in food items. United Arab Emirates and India also provided sizable amounts of chemical products to Sudan, USD 38 million and USD 34 million, respectively. India was also a large exporter of food products (USD 40 million).

¶10. Italy (USD 258 million), United Kingdom (USD 222 million), Australia (USD 222 million), France (USD 220 million), and Bahrain (USD 183 million) round out the top ten exporters to Sudan.

U.S. Exports to Sudan Total USD 130 Million in 2005

¶11. U.S. exports to Sudan totaled USD 130 million in 2005, placing the United States as the 14th largest exporter. Key commodity categories exported to Sudan in 2005 include food products (USD 99 million), machinery and equipment (USD 19 million), transport equipment (USD 6 million), and manufactured goods (USD 5 million). (Comment: presumably these exports were in compliance with OFAC economic sanctions waiver and Department of Commerce export licensing requirements. End comment.) U.S. imports from Sudan totaled USD 12.3, all gum Arabic under OFAC license.
Comment

¶12. Overall, 2005 trade data confirms Sudan's strong economy. Construction projects for infrastructure and housing are on the rise, and we expect similar growth to spread into key manufacturing sectors. Sudan's growing reliance on machinery and equipment and transport products will continue to be linked the economy's growth, and this reliance will continue to rise as development spreads into

southern Sudan, Darfur, and Eastern Sudan. Sudan should seek ways to limit dependency on these "growth" imports, as well as seek ways to increase and diversify its exports.

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